Message Text

PAGE 01 JAKART 11261 111036Z

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ACTION EA-14

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FM AMEMBASSY JAKARTA TO SECSTATE WASHDC 4353

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E.O. 11652: N/A TAGS: CPRS ID

SUBJECT: P.T. BAUD CLIAM

REFS: A) STATE 190398 B) JAKARTA 10468

1. SUMMARY. FOLLOWING MEETING AFTERNOON SEPTEMBER 6
WITH MINISTER OF PLANNING WIDJOJO, SEA OIL AND GENERAL
PRESIDENT SULLIVAN DEPARTED JAKARTA TO RETURN
TO WASHINGON WHERE HE WILL ATTEND IMF/IBRD MEETINGS
HAVING BEEN INVITED IN HIS FORMER CAPACITY OF
U.S. ASSITANT SECRETARY OF TREASURY. HE REPORTED
THAT HIS MEETING WITH WIDJOJO WAS SATISFACTORY IN
THAT ENTIRE CASE REVIEWED BUT INCONCLUSIVE IN THAT NO
SETTLEMENT OFFER WAS MADE. SULLIVAN EXPRESSED APPRECIATION FOR AMBASSADOR'S EFFORTS IN MOVING CASE FORWARD
TO POINT WHERE WIDJOJO MET WITH HIM. END SUMMARY.

2. EMBASSY DELIVERED TO WIDJOJO AND ADHYATMAN COPIES (PROVIDED BY ATKINSON) OF SULLIVAN'S SUMMARY OF SPRING MEETINGS (REF B) ON AUGUST 27. DURING HIS SEPTEMBER 1-7 VISIT SULLIVAN MET WITH FOREIGN MINISTER MALIK, WHO, ACCORDING TO SULLIVAN CALLED WIDJOJO TO TRY AND ARRANGE APPOINTMENT FOR SULLIVAN. HE MET WITH EXIMBANK PRESIDENT CASEY WHO RAISED BAUD CASE WITH BOTH FINMIN LIMITED OFFICIAL USE

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PAGE 02 JAKART 11261 111036Z

WARDHANA AND PLANNING MINISTER WIDJOJO DURING HIS

STAY.

3. PRIOR TO SULLIVAN'S SEPTEMBER 1 RETURN EMBOFF MET WITH IBRD JAKARTA EXECUTIVE OFFICER, DESILVA, TO REVIEW EMBASSY'S FILE ONBAUD CASE. IBRD JAKARTA HAD RCEIVED REQUEST FROM MACNAMARA FOR BACKGROUND IN ORDER REPLY TO LETTER RECEIVED FROM CONGRESSMAN GONZALEZ ABOUT THE CASE. PRESIDENT CASEY HAD ALSO RECIVED LETTER FROM CONGRESSMAN HANNAH URGING HIS SUPPORT FOR AN EARLY RESOLUTION OF THE CALAIM.

4. AS RESULT AMBASSADOR'S CALL ON WIDJOJO (REF B) AND SUBSEQUENT REFERENCES TO CLAIM BY CASEY AND MALIK, SULLIVAN WAS SUCCESSFUL IN HIS REQUEST FOR MEETING WITH PLANNING MINISTER WIDJOJO WHOM HE SAW ON FRIDAY AFTERNOON SEPTEMBER # SULLIVAN REPORTED HE "HAD GOOD TALK" AND REVIEWED ENTIRE HISTORY OF CASE. HE SAID WIDJOJO EXPRESSED GREAT INTEREST IN PROPOSAL MADE BY SULLIVAN LAST SPRING TO INVEST HALF OF HIS THEN CLAIMED \$22.7 MILLION IN A METAL PARTS PRODUCTION PLANT IF COMPENSATIONS PAID. SULLIVAN TOLD WIDJOJO THAT WHILE THSI PROPOSAL HAD BEEN WITHDRAWN HE WOULD MAKE EFFORT TO TRY AND ARRANGE SUCH AN INVESTMENT. SUL-LIVAN REPORTED THAT HE WAS LEAVING JAKARTA SEPTEMBER 7 TO ATTEND WASHINGTON IBRD/IMF MEETINGS IN PURSUIT OF BAUD CLAIM WITH GOI DELEGATION HEADED BY MINFIN WARDHANA. SULLIVAN SAID AS FORMER U.S. ASSITANT SECRETARY OF TREASURY HE REGULARLY RECEIVED INVITATIONS TO THE ANNUAL MEETINGS BUT THAT THIS WAS FIRST YEAR SINCE LEAVING TREASURY HE HAD ACCEPTED INVITATIONS. SULLIVAN EXPRESSED HIS APPRECIATION FOR EMBASSY'S AND ESPECIALLY AMBASSADOR'S EFFORTS ON HIS BEHALF. NEWSOM

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